



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 19, 2002

### **S. 434**

### **Yankton Sioux Tribe and Santee Sioux Tribe Equitable Compensation Act**

*As ordered reported by the House Committee on Resources on September 12, 2002*

#### **SUMMARY**

S. 434 would compensate the Yankton Sioux Tribe and the Santee Sioux Tribe for the taking of certain tribal lands by the federal government. CBO estimates that enacting this act would have no significant impact on the federal budget over the 2003-2012 period. Enacting S. 434 would increase direct spending by an estimated \$49 million, but pay-as-you-go procedures would not apply because the spending would not occur until fiscal year 2013.

S. 434 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Tribal governments might incur some costs as a result of this act, but those costs would be voluntary.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

CBO estimates that enacting S. 434 would result in direct spending of \$49 million in 2013, but would have no significant impact on the federal budget before then. For this estimate, CBO assumes that S. 434 will be enacted near the beginning of fiscal year 2003.

S. 434 would provide compensation to the two tribes for the taking of 3,445 acres of land by the federal government for various water projects. The act would establish the Yankton Sioux Tribe Development Trust Fund and the Santee Sioux Tribe Development Trust Fund and would direct the Secretary of the Treasury to deposit a total of \$28 million into interest-bearing accounts to benefit the tribes on the first day of the 11th fiscal year that begins after the date of enactment. An additional deposit equal to the amount of interest that the fund would have earned if the fund had been capitalized and invested in 2003 would be made at the same time. CBO estimates that this additional payment would be \$21 million, for a total deposit of \$49 million in 2013. Once the Secretary pays these amounts, any monetary claims the tribes may have against the United States regarding the affected lands would be

extinguished. Starting in 2013, the act would allow the tribes to spend amounts equivalent to the annual interest earned on the fund pursuant to a tribal spending plan.

Payments to certain trust funds that are held and managed in a fiduciary capacity by the federal government on behalf of Indian tribes are treated as payments to a nonfederal entity. As a result, CBO expects that the entire amount deposited to the fund in 2013 would be recorded as budget authority and outlays in that year. Because the trust funds would be nonbudgetary, the subsequent use of such funds by the tribe would not affect federal outlays.

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. For the purposes of enforcing pay-as-you-go procedures, only the effects through 2007 are counted. CBO estimates that enacting S. 434 would not affect direct spending or receipts in any of those years.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 434 contains no intergovernmental or private-sector mandates as defined in UMRA, but it would impose some conditions on the affected tribes for receipt of federal funds. The act would require the tribes to prepare and adopt plans for using payments from the trust fund and to obtain audits of their expenditures. The tribes would receive significant benefits from enactment of this legislation.

## **PREVIOUS CBO ESTIMATE**

On April 16, 2002, CBO transmitted a cost estimate for S. 434 as ordered reported by the Senate Committee on Indian Affairs on March 21, 2002. On September 19, 2002, CBO transmitted a cost estimate for H.R. 2408, an identically titled bill, as ordered reported by the House Committee on Resources on September 12, 2002. These different versions of the legislation are very similar, and our cost estimates are the same.

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